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**SACRAMENTO MAN SENTENCED TO 30  
MONTHS IN FALSE TAX RETURN SCHEME**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that GREGORY FRANKLIN ADAMS, 44, of Sacramento, was sentenced today by U.S. District Court Judge William B. Shubb to 30 months in prison in connection with a fraudulent tax return scheme. ADAMS pleaded guilty to filing false claims against the United States on September 15, 2004. ADAMS was also ordered to pay restitution to the Internal Revenue Service in the amount of \$82,576, and to serve a three year term of supervised release following his prison sentence. Parole has been abolished in the federal criminal system, and ADAMS will be required by law to serve at least 85 percent of the prison time imposed.

This case was investigated by Internal Revenue Service (IRS) Criminal Investigation special agents.

According to Assistant United States Attorney James P. Arguelles, who prosecuted this case, during the period of approximately January through July of 2002, ADAMS participated in a scheme to file false and fraudulent income tax returns. As part of his plea, ADAMS specifically admitted that he was responsible for providing bogus Forms W-2 to other individuals, which were submitted to the IRS in connection with false income tax returns in order to obtain fraudulent tax refunds. These Forms W-2 listed the claimant's correct name, but contained false information about the claimant's employer and the amount of income earned. These false Forms W-2 reflected an excessive amount of income withheld and just enough income to entitle the individual to the Earned Income Credit, a subsidy for low-income families, and resulted in an average refund of approximately \$4,300.

ADAMS also admitted as part of his plea that he knew that these false Forms W-2 were going to be used to obtain a fraudulent refund from the IRS, and in fact personally assisted several individuals in filing their returns. In exchange for obtaining these false Forms W-2, ADAMS received, or expected to receive, a percentage of the fraudulent return obtained from the IRS. Finally, ADAMS admitted that, in total, he was responsible for the submission of fraudulent returns seeking approximately \$216,000 during the period of January 2002 - April 2002.

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